

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 093210
ORIGIN TRSE-00

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 STR-07 ITC-01 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 /136 R

DRAFTED BY TREASURY/EBARBER:JEH

APPROVED BY STR/JTSTEWART

USDA:FGEERKEN

EB/TA:CJACOBINI

EA/ANZ:WGALLAGHER

LABOR:WRENISON

COMMERCE:DGARDNER

-----092925 120550Z /13

R 112351Z APR 78

FM SECSTATE WASHDC

TO AMEMBASSY WELLINGTON

USMISSION GENEVA

INFO AMEMBASSY PARIS

LIMITED OFFICIAL USE STATE 093210

MISSION ALSO FOR USMTN/USOECN

E.O. 11652: N/A

TAGS: ETRD, GATT, NZ

SUBJECT: NEW ZEALAND'S IMPORT LICENSING SYSTEM

REF: WELLINGTON 1493

1. REFTEL RAISES ANEW THE QUESTION OF GATT STATUS OF NEW
ZEALAND'S QUANTITATIVE RESTRICTIONS ON IMPORTS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 093210

2. AS ADDRESSEES ARE WELL AWARE, NEW ZEALAND OVER THE YEARS
HAS INVOKED ARTICLE XII ON A NUMBER OF OCCASIONS TO JUSTIFY
QRS IMPOSED FOR BALANCE OF PAYMENTS REASONS. DURING ONE
SUCH PERIOD (1973), NEW ZEALAND'S BOP REGISTERED SUCH
IMPROVEMENT THAT IT BECAME APPARENT BOP COMMITTEE WOULD FIND
NO JUSTIFICATION FOR CONTINUATION OF RESTRICTIONS AND WOULD

CALL FOR THEIR REMOVAL. GNZ PRE-EMPTED THE COMMITTEE BY DISINVOKING ARTICLE XII.

3. U.S. DELEGATE SUBSEQUENTLY RAISED SUBJECT IN GATT COUNCIL ON MAY 29, 1973 (C/M/87), NOTING THAT WELLINGTON'S QRS AND LICENSING SYSTEM WERE WITHOUT LEGAL BASIS UNDER GATT AND ASKING WHETHER GNZ WOULD SUBMIT SCHEDULE FOR ELIMINATING THEM. NEW ZEALAND DELEGATE RESPONDED THAT HIS GOVERNMENT WAS AWARE OF ITS GATT RESPONSIBILITIES AND WAS CONDUCTING FUNDAMENTAL REAPPRAISAL OF ITS ECONOMIC AND TRADE POLICIES.

HE ASKED FOR TIME TO COMPLETE THIS EFFORT AND PROMISED TO KEEP CONTRACTING PARTIES INFORMED BUT DID NOT DO SO. IN LATER YEARS, OF COURSE, NEW ZEALAND'S BOP SITUATION WORSENER, BUT GNZ NEVER REINVOKED ARTICLE XII. GATT ATTENTION FOCUSED ON PRIOR DEPOSIT REQUIREMENT, OBSCURING THE QR ISSUE.

4. WE FEEL THE TIME HAS COME TO PRESS GNZ AGAIN ON THIS SUBJECT, PARTICULARLY IN VIEW OF PRESS REPORTS CONCERNING SPECIAL IMPORT LICENSES IN FAVOR OF LDCS AND STATE-TRADING COUNTRIES. EMBASSY AND MISSION SHOULD APPROACH GNZ OFFICIALS AT APPROPRIATE LEVEL TO MAKE FOLLOWING POINTS:

(A) WE ARE CONCERNED THAT GNZ CONTINUES TO MAINTAIN QUANTITATIVE RESTRICTIONS ON IMPORTS IN CONTRAVENTION OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 093210

ARTICLE XI:1 WITHOUT GATT JUSTIFICATION FOR THOSE RESTRICTIONS;

(B) IF WELLINGTON JUSTIFIES THESE RESTRICTIONS ON BOP GROUNDS, NEW ZEALAND SHOULD INVOKE ARTICLE XII; OTHERWISE, WE ASK THAT GNZ SUBMIT A SCHEDULE FOR THEIR ELIMINATION TO GATT CONTRACTING PARTIES.

5. EMBASSY AND MISSION SHOULD ALSO QUESTION GNZ OFFICIALS ABOUT PRESS REPORTS CONCERNING SPECIAL LICENSING TREATMENT FOR CERTAIN LDCS AND STATE TRADING COUNTRIES (REFTEL). IF OFFICIALS CONFIRM THESE REPORTS, YOU SHOULD NOTE THAT SUCH DISCRIMINATORY AND TRADE-DISTORTIVE ADMINISTRATION OF QUANTITATIVE RESTRICTIONS CONTRAVENES ARTICLE XIII:2(C) AND REQUEST THAT THIS DISCRIMINATORY ASPECT BE ELIMINATED AS SOON AS PRACTICABLE WITHOUT REFERENCE TO ACTION TAKEN IN RESPONSE TO PARA 4(B) ABOVE. IF OFFICIALS DEFEND PRACTICE AS ASSISTANCE TO LDCS, YOU SHOULD NOTE U.S. VIEW THAT SUCH ASSISTANCE SHOULD BE PROVIDED THROUGH SUCH INTERNATIONALLY ACCEPTABLE MEANS AS GSP.

6. FYI: DURING APRIL 7 CALL BY NEW ZEALAND EMBASSY FIRST

SECRETARY FOR COMMERCIAL AFFAIRS J.A.R. STEVENSON ON
DEPARTMENT (EB/ITP) FOR GENERAL MTN REVIEW, DEPARTMENT
OFFICER INFORMALLY RAISED IMPORT LICENSING PRACTICES
DESCRIBED REFTEL. WE NOTED THAT THE MATTER HAD ATTRACTED
SOME ATTENTION HERE AND THAT THERE WAS CONCERN ABOUT THE
NON-MFN ASPECTS OF THESE LICENSING PRACTICES. STEVENSON
WAS NOT FULLY INFORMED ON THE MATTER BUT HE PROMISED TO
RELAY OUR CONCERN TO WELLINGTON AND TO SEEK MORE INFORMA-
TION ABOUT THE SCHEME AND GET BACK TO US. END FYI. VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, POLICIES, IMPORT LICENSES
Control Number: n/a
Copy: SINGLE
Draft Date: 11 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE093210
Document Source: CORE
Document Unique ID: 00
Drafter: JEH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780156-1161
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780468/aaaacgcm.tel
Line Count: 124
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 419461b2-c288-dd11-92da-001cc4696bcc
Office: ORIGIN TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 WELLINGTON 1493
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3001697
Secure: OPEN
Status: NATIVE
Subject: NEW ZEALAND'S IMPORT LICENSING SYSTEM
TAGS: ETRD, NZ, GATT
To: WELLINGTON GENEVA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/419461b2-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014